

LIVEWIRE

Sheridan Electric Cooperative - Medicine Lake, Mont.
406-789-2231



A new landscape

BY SCOTT WESTLUND

With the change in the oil industry come changes in the way your cooperative does business. Proactively, each department is looking for ways to cut expenses, maintain the infrastructure, and continue to have high reliability.

Some of the things that have already happened are the reduction of the inventory in the Line department. With a new level of just under \$500,000 in total inventory we have just enough material on hand to take care of business, and then some. This also marks the lowest level of managed inventory since the late 80's in the utility line department.

What this does is free up dollars sitting on the ground waiting to be used versus JIT (Just in time) shipments) of material shipped when needed.

Newer better ways of conducting business have been put into place in this department, ordering meetings, work order closeouts, streamlining all processes.

They have done a great job reviewing all opportunities.

The Electrical department will be adopting Lean Manufacturing concepts to deal with their inventory and waste.

This particular department is different in many ways from the Utility Department, in regards to the number of parts, and their size. At over 1,600 individual parts, this department will have the toughest time streamlining this down to a minimal level. Currently the total inventory has outdated items as well as a dollar value that could be substantially lower than it is, so

aggressive targets have been set to achieve manageable levels.

A 5-S system of Lean Manufacturing will be adopted to combat this problem (Sort, Set in order, shine, standardize, sustain). Consisting of a large footprint of material we will start the process by "sorting" what we have and getting rid of what we do not need. "Setting in order" is organizing what our needs will be and in an order that will not require any searching for the product. "Shining" is the cleaning up of the area and consolidating the footprint. "Standardizing" is the way we will do business going forward with our parts (good example is to order job specific parts only). "Sustaining" is to keep it together and not let it slip back into what it was.

As for this process and all the processes we have solved will take work. Work from outstanding individuals who work at this site, work from the experts in the field.

We will see a different parts inventory within these walls, parts that will sustain only the jobs we work on, and no extras. We will start to fade out selling parts to individuals who come looking for them as they will not be here to sell, and we will have to educate the membership to this affect. Wire, ordered specifically for jobs will be the only wire we will have on hand. Load centers will be reduced to only what we have jobs for as well as any supporting material. We will rely heavily on JIT shipments, and have the workload (electrical jobs) pull the inventory out to the consumers versus push it. At this point consumers will be able to order the inventory they need through the ordering process, but may not be stocked for sale. This enables the streamlining of the inventory so it is under control.

Critical job organization will have the immediately realized by the organizing foreman so that material is here when it needs to be and in the correct quantities.

In all, we will be addressing the concept of waste. Waste can be in time, money, or movement. Waste can also be the lack of inventory turns (idle inventory), waste is devastating to cash flow.

These are exciting times we are currently in, and this exciting time shows us opportunities. Failing to achieve our targets on opportunities is not an option, and this team has the knowledge and resources to make it a reality.

Wish us luck on this next level of managing your cooperative.. ■

The heat meter and what it represents

BY SCOTT WESTLUND

In January, Sheridan Electric Cooperative was inundated with requests for heat meters to be installed. This is a good thing, as it is the member's duty to call and request that we install them, unless we did the construction and installed it for you.

The heat meter is designed to measure the heat usage it takes to heat your establishment on our system. It is then converted to a discounted rate, which is a program supported by our power supplier. This rate is substantially less than current power rates we charge to your home, at 4.75 cents per kilowatt-hour versus the 10 cents per kilowatt-hour.

This program has been in existence for many years and gives the much needed relief for farms, homes and businesses. This program is not a given and needs the help of the membership to call and ask for these to be installed as we do not know who does not have them.

We encourage you to contact us if you want one of these installed.

These are some of the questions that I have been fielding in the past few weeks with the best answers I have for you:

Why is there a cost to me (the consumer) for the meter to be purchased and installed?

The heat meter is installed after the main meter of the establishment. Anything after the main meter is the responsibility of the consumer, whether it is a heat meter, secondary wires for buildings or purchased yard lights. Anything before the main meter is the responsibility of the cooperative, unless it is new

construction for an intended purpose of the member. The heat meter is a secondary line cost.

Why wasn't I aware of the heat meter program?

The heat meter program is written about every other year prior to the heating season. In those articles, I specifically describe the program and its intended use. I also state that this a consumer cost from a secondary system standpoint. It is also the responsibility of the member to contact the cooperative if they would like one installed. It looks like I will change this to an annual story to help with understanding.

If I have one installed now, can I get credit for the years that I didn't have one?

No, we cannot go back and credit anything from prior years. Unless there have been problems with current systems that warrant the credit, one cannot claim a credit. It is the responsibility of the member to schedule any secondary wiring jobs with the electrician department. In some cases, we do not know your intentions, so we cannot plan for you.

I have had this program looked into years ago and could not afford it, now I need it. Can the cooperative donate the equipment so I can get a reduced rate?

Again, this equipment is the responsibility of the member, and we have 1,900 members. If we were to donate to one, wouldn't we have to donate to all? This is your cooperative with all the nuances of a nonprofit business model. The board and employees pride

ourselves in doing the right thing with your money at all times, and still take care of you, the member. If this equipment and wiring were donated, it would shake up the current budgetary process, adding costs to a model that would have to find the money elsewhere, and normally that is in rates.

I have a "D" rating credit with the cooperative. Why do I have to pay the costs up front to have a meter installed?

As described above, it is the responsibility of the employees and board of directors to take care of the business at all times. A program has been put into place that will take care of possible non-pay members. This is only a level of security to keep the business model healthy going forward.

The heat rate is a form of relief from the power supplier to assist the membership living in this harsh environment. It is a program that we hope will continue as it benefits so many, although some of this responsibility has to be burdened by the membership to let us know when you want this introduced into your home or business. ■



Miss Montana Danielle Wineman visits

In early February, your cooperative hosted a visit from Miss Montana Danielle Wineman. The annual visit has the purpose of filming a public service announcement to be aired on television promoting the values for cooperative within our service territories.

The visit is sponsored by five cooperatives, including Sheridan Electric, McCone Electric, Lower Yellowstone Electric, South East Electric and Goldenwest Electric, each year as part of the cooperatives' donations toward the scholarship program. A commercial is filmed depicting one or more values that make cooperatives great.

This year, the filming was done at Sheridan Electric involving all staff members and employees. Danielle, employees and staff did a remarkable job doing their parts to make this a reality.

Thanks to all, for a job well-done. ■



Lighting to be given away

In the spirit of efficiency, Sheridan Electric Cooperative is giving away compact fluorescent lights (CFLs) each month. Each month's winner will receive 24 new CFL bulbs. A CFL produces the same amount of light for less than half the cost. The bulbs also produce about 75 percent less heat, so they are safer to operate. They can also last up to 10 times longer than the standard incandescent bulb. You could save \$80 a year by switching to CFLs throughout your home!

So this month, take a moment to complete and mail the coupon. Maybe you'll be this month's lucky winner and save on your energy costs. Good luck! ■

Name: _____

Address: _____

Phone number: _____

Account number: _____

*Congratulations to **Swank and Sons** for winning this month's light giveaway*

Sheridan Electric Cooperative statistical report



	January 2015	January 2016
Total miles of line	2,756	2,849
Consumers billed	3,919	3,934
Kilowatt-hours purchased	14,411,056	14,282,544
Kilowatt-hours sold	13,631,998	13,466,845
Average KWH per residential consumer	1,896	1,802
Average bill per residential consumer	\$141.60	\$159.95
Cost of purchased power	\$684,140	\$691,997
Margins year to date	\$118,115	\$105,598

LINE DEPARTMENT STATS

	January 2015	January 2016
Weather	2	13
Age or deterioration	0	0
Animals and public	3	2
Power supplier	0	0
Equipment	3	2

SUMMARY OF WORK COMPLETED

	January 2015	January 2016	Year to date
Pole installations	10	19	19
New construction	18,936 ft.	1,252 ft.	1,252 ft.
Miles driven	29,472	26,682	26,682
New accounts	9	4	4
Accounts retired	0	2	2

SHERIDAN ELECTRIC CO-OP

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TRUSTEES

Wayne Deubner, President..... Brockton, Mont.
Rod Smith V. President..... Dagmar, Mont.
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Alan Danelson, Trustee Scobey, Mont.
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Harlan Skillingberg Plentywood, Mont.

EMPLOYEES

Rick Knick Manager
Riley Tommerup Office Mgr./Accountant
Scott Westlund Marketing/Member Service Manager
Pam Lund Billing Supervisor
Doris Wivholm Bookkeeper/Billing Specialist
Jamie Ator Accountant
Lisa Salvevold Office Assistant
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Tristen Ereth Apprentice Electrician
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Josh Marottek Apprentice Lineman
Bill Baillie Apprentice Lineman
Josh Ming Apprentice Lineman
Jim Bakken Material Specialist
Vicky Haddix Custodian

OUTAGES • CALL 24 HOURS A DAY
406-789-2231

OFFICE HOURS: 7 a.m. to 5:30 p.m.
Monday through Friday

Your Touchstone Energy® Cooperative